



The President's Daily Brief

June 17, 1976

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June 17, 1976

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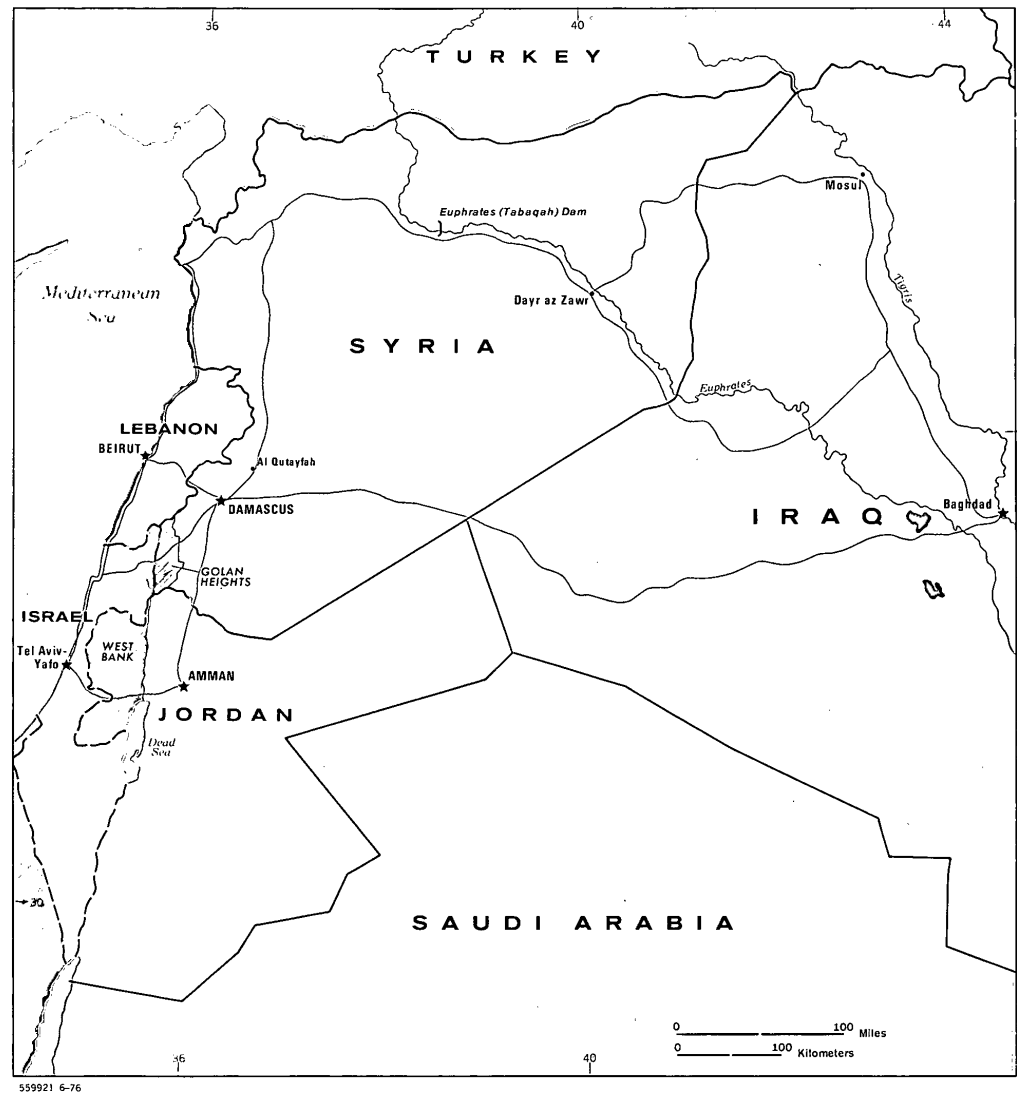
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LEBANON-SYRIA: *Damascus has not commented on the murders of US Ambassador Meloy and Economic Counselor Waring, and may be studying whether and how to take action in response.*

Jallud, meanwhile, has made no apparent progress on the Syrian withdrawal plan he announced on Tuesday.

SYRIA: *President Asad, who will arrive in Paris today for a two-day visit, has canceled his scheduled visit to Eastern Europe. He wants to be back in Damascus to deal with Lebanon and related problems.*

If Syria concludes that Libyan Prime Minister Jallud's efforts to arrange a truce with Palestinian and leftist forces are likely to go nowhere, it could use the murders as an excuse for a major military push. The Syrians, however, seem interested in a truce that would at least give them time to resupply their forces.

The Syrians have been playing along with Jallud in order to win political credit for seeming to be conciliatory.

Although no major fighting occurred yesterday, there has been no sign that Syria intends to implement the plan.

The separate efforts of Arab League Secretary General Riyad to secure agreement on the size and composition of the joint Arab peacekeeping force have been no more successful.

Christian leaders yesterday endorsed the force, but their acceptance contained conditions that would be virtually impossible for the Palestinians or Syrians to accept.

Iraq's military moves demand Asad's close attention. Baghdad's display of force has already tied down several thousand Syrian troops and presumably has provided additional encouragement to Asad's domestic opponents.

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Syrian officials trying to use the threat from Iraq to elicit greater popular support for Asad and his policies appear to have made little progress. There continue to be signs of dissatisfaction among civilians and within the armed forces. We have no information, however, to confirm Palestinian and leftist claims that a Syrian army unit protesting its assignment to Lebanon mutinied on June 14.

USSR: *The Soviets have made some changes in the disposition of their Mediterranean Squadron in response to actual or anticipated moves by US naval forces.*

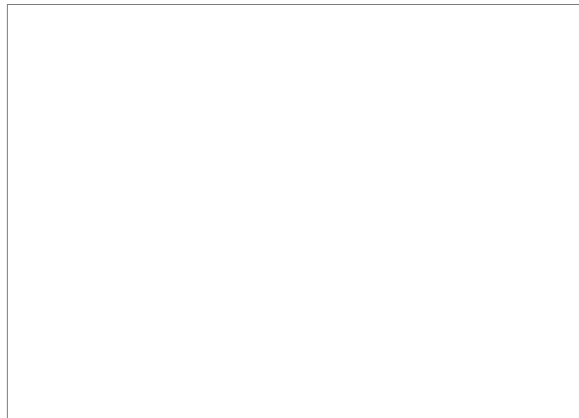
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JORDAN-USSR: *King Husayn, who arrives in Moscow today, probably will avoid making any firm commitment to acquire a Soviet air defense system.*

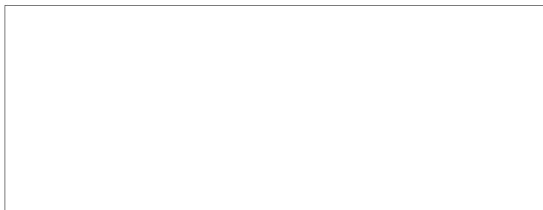
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Husayn and Prime Minister Rifai, the chief proponent of a Soviet system, are anxious about the possible consequences of a turn to the Soviets.

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Amman will re-examine possible alternatives after the Moscow visit

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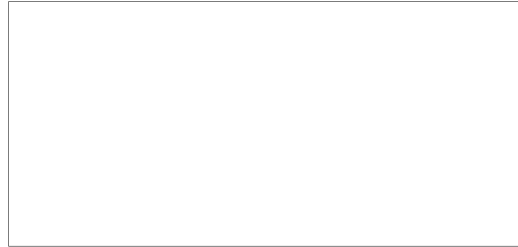
The Jordanians reconsidered their decision to deal with the Soviets primarily as a result of warnings from the US, the UK, Saudi Arabia, and Iran. In addition, Husayn is increasingly apprehensive about Soviet activities in the Middle East.

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FRANCE: *President Giscard will probably push his proposal for a new multilateral aid fund for Africa at the Puerto Rico summit. Paris hopes to gain US support for the fund before the summit.*

The French proposal closely resembles a suggestion made by Secretary Kissinger during his recent African tour. While both plans envisage a multibillion dollar program to help the drought-stricken nations of Sub-Saharan Africa, the French plan also would extend aid to other African areas that Paris wishes to favor.

The political objectives of the French plan are:

- to preserve close ties with francophone Africa while expanding relations with other African countries and promoting new aid schemes to improve North-South relations;

- to overcome black African ill will incited by the recent French agreement to provide South Africa with major new nuclear power plants;

- to counter growing Soviet influence in Africa.

Giscard has indicated that he is thinking of a fund of \$1 to \$2 billion. The French anticipate that their European neighbors may balk at the proposal because of large existing commitments to Africa. Paris, however, hopes that this obstruction can be overcome by making public and private contributions voluntary.

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NOTES

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Soviet

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The first major shuffle in Romania's Council of Ministers since 1974 reflects President Ceausescu's increasing concern over possible consumer dissatisfaction and economic inefficiency.

Ceausescu's grip on the reins of power is strong, but he apparently recognizes that the economy is his greatest vulnerability. He has now moved trusted supporters with proven administrative abilities into key positions in the consumer welfare sector in order to upgrade the performance of the economy.

Changes also were made in the military sector. The new defense minister, Colonel General Ion Coman, reportedly is favorably disposed toward the US. His highly successful trip to this country last summer was the first visit by the chief of staff of a Warsaw Pact army.

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South African police
*have sealed off Soweto
Township, the all-black
suburb of Johannesburg,
following yesterday's
rioting by thousands of
secondary students.*

The riots, which left many persons dead or wounded, capped a strike that began in mid-May when black students rebelled against the government's insistence that certain courses be taught in the Afrikaaner language.

The authorities seem to be in control of the situation and should be able to keep the disturbances from spreading. If, however, the government reverses its stand on the language requirement it would be regarded by some blacks as a political victory--and could lead to other demands for change.

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ITALY

The Italian election on Sunday and Monday is essentially a referendum on Communist participation in the government.

Precise prediction of the outcome is impossible. The Communists could fall short of the 33 percent they scored in regional elections last year, but they will almost certainly exceed the 27 percent they won in the 1972 parliamentary contest.

Even if a non-Communist government can be formed after the election, there will be heavy pressure for some kind of accommodation with the Communist Party. Communist restraint will be a prerequisite for political stability and Communist intervention with organized labor will be necessary if labor is to cooperate in an economic recovery effort.

There is no question that disgust with the Christian Democrats has deepened in the past year or that the Communists are seen as the major force for change. The Christian Democrats, however, have waged a vigorous campaign designed to arouse fear that the Communists would lead Italy into an authoritarian society linked to Moscow.

The Communists have done everything short of announcing a break with the Soviets to convince the public otherwise. The outcome will be determined by wavering voters who must resolve what Communist chief Berlinguer has called the "conflict between the need for change and the fear of novelty."

The Socialists

The polarization of the campaign around the Christian Democrats and Communists has tended to obscure the essential role the Socialists will play after the election. It is virtually certain that neither of the larger parties will receive enough support to form a majority without the Socialist Party.

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Seeing themselves in a pivotal position, the Socialists have kept nearly all of their post-election options open. These include:

--First, an interim emergency government, proposed by the Communists, in which all parties except the neo-fascists would participate.

--A government with the Communists should the election result in a Socialist-Communist majority and if the Christian Democrats refused to participate.

--A coalition with the Christian Democrats, on condition that the latter agree to involve the Communists formally in the formulation of government programs and seek Communist support in parliament.

Despite the Socialists' stated preference for an emergency government including the Communists, a majority of Socialist leaders privately hope it will be possible to form a cabinet with the Christian Democrats with the Communists relegated to an indirect role. They believe this would give the Socialist Party maximum influence, while involving the Communists sufficiently to make them share public responsibility for the tough decisions the post-election government will face.

The Communists

There is considerable evidence that Communist chief Berlinguer is willing to settle for less than the full government membership he is calling for in the campaign.

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Berlinguer hopes to avoid a leftist coalition with only the Socialists. The Communists reportedly fear that such a government would provoke a hostile reaction abroad and lead to unrealistic expectations among the Communist rank and file. Berlinguer may even think it would be more difficult for the party to resist pressure from Moscow in such circumstances.

An indirect consultative role would give Berlinguer the best of two worlds. It would give the Communists more influence on government policy and amount to an implicit recognition of their potential as a governing party. At the same time, the Communists would be in the enviable position of being able to disclaim responsibility when things went wrong.

The Christian Democrats

The unequivocal anti-Communist posture of the Christian Democrats during the campaign makes it unlikely that the party could agree to form a government with the Communists immediately after the vote. Language in the party platform, however, clearly signals a willingness to accept a limited accord with the Communists on specific government programs. A debate is apparently already under way among Christian Democrats over how far to bend on the question of indirect Communist participation.

Indirect Participation

In sum, there appears to be a degree of willingness in each of the three major parties to move toward a government based on Christian Democratic - Socialist collaboration but open to some form of indirect participation by the Communists.

Agreement on the indirect participation formula would not come easily, however. In addition to disagreements between the Christian Democrats and Socialists over the role to be played by the Communists, there are substantial differences within each party on the advisability of such an agreement. Some Communists for instance would view acceptance of such a role as a gift to the Christian Democrats. Berlinguer is reportedly being criticized already by some Communist leaders for being too easy on the Christian Democrats.

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The evolution toward compromise could be cut short by a sharp swing toward the Communists at the polls. If the Communists score a decisive plurality it will be very difficult to deny them cabinet status. Such a development could lead to an expanded leftist coalition that would leave the Christian Democrats in the opposition.

Election Outcome

On balance, the election is unlikely to produce a clearcut result that would allow a relatively compatible combination of parties to deal decisively with Italy's mounting economic and social problems.

If the election fails to give any party a marked advantage, a caretaker government might be installed to preside until the dust settles and until party leaders have had time to digest the results. In that event, efforts to form a coalition might be postponed until the fall.

Unless the parties can find a way to resolve the fundamental differences that led them to hold the election ahead of schedule, the prospect is for continued instability and immobility. The current contest may well turn out to have been but a prelude to another election, fought on the same issues in the not-too-distant future.

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